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UNCLAS SECTION 01 OF 03 ROME 001229

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DEPARTMENT FOR EB/IFD/OIA AND L/CID

E.O. 12958: N/A

TAGS: [EINV](#) [CASC](#) [KIDE](#) [OPIC](#) [PGOV](#) [IT](#)

SUBJECT: ITALY 2007 REPORT ON INVESTMENT DISPUTES AND  
EXPROPRIATION CLAIMS (527 REPORT)

REF: STATE 55422

¶1. In response to reftel, the Embassy is aware of four (4) claims of United States persons that may be outstanding against the Government of Italy.

CLAIMS  
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¶2. a. Claimant A

b. 1974 - 1980

c. Claimant A, a U.S. citizen who died in September 1997, alleged that real property in and around Rome, held by a number of Italian companies he owned, was expropriated by the City of Rome beginning in January 1974 and continuing through September 1980. The court-appointed "Special Administrator" of the estate of Claimant A has continued to pursue this claim and maintains that the City of Rome failed to compensate Claimant A the fair market value of the property in contravention of the 1948 Treaty of Friendship, Commerce and Navigation (FCN) between Italy and the United States. Claimant A initiated legal action in Italian courts in 1983, seeking fair market value compensation for his property. The trial court dismissed this claim. Claimant A appealed unsuccessfully. His case was finally rejected in 1994 by Italy's Supreme Court of Cassation.

The Department of State has taken steps to try to evaluate and promote resolution of this claim. As part of its consideration, the Department has, inter alia, sought information from the Special Administrator concerning Claimant A's claim, including the nature of Claimant A's ownership interests in the property and in the companies that apparently held direct ownership of the property and urged the Government of Italy to negotiate a resolution of this matter directly with the Special Administrator of Claimant A's estate.

The Special Administrator visited Rome in May 2001 and requested the assistance of the U.S. Embassy. Embassy officials helped put the Special Administrator in contact with the Ministry of Foreign Affairs Legal Department, which has responsibility for Claimant A's case. In 2002, the Ministry of Foreign Affairs informed the U.S. Embassy in Rome that the Italian Government views this case as closed.

In June 2003, the Special Administrator and a consultant to the Administrator met with the Ambassador at their request. The Special Administrator and the consultant asked the Embassy to send a diplomatic note to the Ministry of Foreign Affairs requesting a review of the case, which the Embassy did upon Department instructions.

In a December 29, 2003, diplomatic note (received late January 2004), the Ministry of Foreign Affairs argued that the property subject to expropriation belonged to two Italian companies, of which claimant A was the major stockholder, but not to Claimant A himself. Since the entities in question were Italian and, therefore, subject to Italian law, the MFA argued that the United States could not espouse the claim under the 1948 FCN Treaty. The Ministry of Foreign Affairs also contended that the United States could not espouse the claim of an Italian citizen. Claimant A, born in Italy, retained his Italian citizenship, even after he had acquired American citizenship. The Ministry of Foreign Affairs therefore reaffirmed its conclusion that the case is closed.

In autumn 2003, the Special Administrator and an informal advisor contacted the White House and the Nevada delegation of Congress to inform them about the case. In February 2004, the Embassy informed the Office of the General Counsel, the White House, as well as the Office of the Legal Adviser, State Department, of the December 29, 2003, Italian diplomatic note. The Office of the Legal Adviser, Department of State, shared with the Special Administrator the December 29, 2003, diplomatic note.

After further review of the December 29, 2003, diplomatic note and in close consultation with the Special Administrator, the State Department issued instructions to the Embassy to send another diplomatic note to the Ministry of Foreign Affairs responding to specific points and again requesting a review of the case. This diplomatic note was sent to the Ministry of Foreign Affairs in November 2004, and the Ministry of Foreign Affairs provided a brief response dated March 15, 2005, reiterating the Government of Italy's

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position that the case is closed. The Embassy informed the State Department's Office of the Legal Adviser of the March 15, 2005, Italian diplomatic note, and the Office of the Legal Adviser shared the note with the Special Administrator.

On March 17, 2005, the Special Administrator visited Embassy Rome. Embassy officers had previously secured appointments for the Special Administrator with officials in the Office of the Prime Minister and the Foreign Ministry, but the Special Administrator subsequently asked that the meetings be canceled because of the March 4 Calipari (Iraq hostage) incident. The Office of the Legal Adviser is in the process of reviewing the Special Administrator's request that the U.S. Government espouse the claim against the Italian Government.

In April 2007, the Embassy received a letter from Senate Majority Leader Harry Reid notifying the Embassy that the Special Administrator planned to come to Rome and requesting that Embassy officials assist Estate representatives in obtaining an appointment at the MFA to discuss the Estate's claims. Despite a letter from the Ambassador requesting that they meet with Estate representatives, MFA officials declined to do so.

13. a. Claimants B

b. 1960-1972

c. Claimants B claim the City of Bari expropriated 22,000 square meters of land from them and paid for only 10,000 square meters. The City states that the Claimants must get additional payment from the party that built on the land, the Istituto Autonomo Case Popolari (IACP). The IACP apparently wants to pay a much lower price than the Claimants' lawyer is seeking. Claimants' attorney brought suit. In July 1998, the Bari court requested a new survey to determine the exact size of the area expropriated and a new estimate of the value of the property. A court decision was rendered in September 2002, in which the U.S. claimants were awarded 1.89 million

euros, and an additional 18,000 euros for legal expenses. According to Italian law, the affected party, IACP, may appeal the decision.

Consul General Naples was contacted in November 2002 by the attorney representing the American claimants. The attorney asked for Consul General Naples' intercession with IACP. Consul General Naples advised the attorney that the Consulate could not interfere in the legal process. Records do not indicate why the attorney sought Consul General Naples assistance, since the claimants had received a favorable ruling in September 2002. Consul General Naples has not had any contact with the claimants since 2002.

14. a. Claimant C

b. 1965-1974

c. Claimant C attempted to purchase approximately 250,000 square meters of land from the city of Avezzano, not far from Rome, for an American university campus. According to Claimant C, the land was worth \$20,000 in the early 1970s but would be worth approximately \$30 million today. According to Claimant C, in 1975-1976 the City of Avezzano accepted payment for the land, but then failed to deliver title. According to Claimant C, it won a favorable ruling for damages from a court of first instance in 1986, which the city of Avezzano appealed.

Claimant C notes it won the appeal in 1990, but the city of Avezzano has still not complied with the court's judgment. Various Embassy offices have played a facilitative role over the years in this case, but have not intervened directly. The Embassy is not aware of any developments in this case for several years.

15. a. Claimant D

b. 1998

c. Claimant D claims the city of Bari expropriated property owned by her in 1998. In 2006, the claimant advised the Department of State that she was in the process of appealing an administrative tribunal's valuation of the property seized. The Office of the Legal Adviser, U.S. Embassy in Rome, and Consul General in Naples are working to learn more about the case, including what kind of assistance, if any, the claimant wants from the U.S. Government. It is unclear

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whether or not this claim is the same, or is related to, the claim of Claimants B, detailed above.

IDENTITIES OF CLAIMANTS

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16. Identities of claimants are protected under the Privacy Act of 1973 and cannot be released without permission of the claimant.

Claimant A

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Name: Pier Talenti

Citizenship: Naturalized American Citizen (May 15, 1961)

Privacy Act Waiver: Unknown

Claimants B

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Name: Francesco Scavelli, Antonio Scavelli, Germano Scavelli, and Bernardo Scavelli

Citizenship: American

Privacy Act Waiver: None

Claimant C

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Name: American University of Rome, Inc., an Ohio nonprofit

corporation (Contact: Mr. Gioia)  
Citizenship: American (by virtue of its Ohio incorporation)  
Privacy Act Waiver: None

Claimant D

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Name: Maria La Cedra  
Citizenship: American  
Privacy Act Waiver: Unknown  
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